

City of Florence

Budget Address – 2008

June 10, 2008

Each year, by law, the Mayor is required to present a budget message as well as a report on the State of the City. As I have done for the past several years, I have chosen to combine the two.

This address will provide you with financial information, update you on personnel changes, highlight the projects we have completed, report on the projects in process, communicate the progress in our city and take a look at our future.

In February, we at the city, were deeply saddened by the loss of Councilmember Dale Stephens who lost his final battle with cancer. Dale tirelessly served the Florence community as Councilmember for nearly twelve years. All of us learned the meaning of service and integrity simply by watching him quietly working to improve the community he called home.

State law requires that Council must take action to replace a vacancy on Council within thirty days. So as not to allow any undue advantage for any of the people running for office, the decision was made to seek a person who was not a candidate in this year's upcoming City Council election.

Fortunately, the choice was made easier when a life-long, community minded Florence resident, Gary Winn, was unanimously selected to fill Dale Stephens' unexpired City Council term. Gary is familiar with our City and the issues we face. He serves on the City's Urban Forest Commission and has acted as the Chairman for several years, is a member of the Florence Rotary and of the Boone County Businessman's Association. We are grateful to Gary for his willingness to serve his community.

Last year Council approved the revenue enhancements that went into effect at the beginning of this fiscal year and which permitted the City to maintain the level of service our residents and business community have become accustomed to receiving. I would like to again commend the City Council members for making the difficult but fiscally necessary decisions to ensure that needed resources are available for our future. These decisions will allow us to remain fiscally solvent by building reserves to address future costs.

The General Fund budget expenses totals \$30.3 million including transfers to other City funds for planned annual capital additions, operations of the golf course and aquatic center and funding for future upkeep of the City facilities. The operating expenditures are \$20.3 million and are projected to increase 6.0% over those budgeted for fiscal year 2008.

There was a letter to the editor that appeared in a recent edition of the Florence Recorder newspaper concerning the percentage of personnel costs in the budget and the average pay our workers receive. The letter stated that the average city employee's compensation is \$150,000.00. While I can't believe that anyone who read that would take this number seriously, perhaps you would be interested in what the numbers truly are. The personnel related costs for the city amount to \$10.9 million or 54% of the operating budget for the General Fund. There are approximately 184 full and part-time authorized positions in the General Fund budget. This includes the Police officers – the Fire Fighters, the Paramedics, the road crews, public services crews, and the administration. The average cost of the employees' compensation which includes not only wages but the total benefits provided including employers portion of social security, health and dental insurance and retirement, unemployment, medicare, workers' compensation and the host of other things that go into paying a workforce, based on the numbers that I have just shared is approximately \$59,527: a far cry from \$150,000. That \$59,527 is not the number that shows up on their W-2 forms at the end of the year – not the number that buys their groceries, or puts gas in their cars, but a number that makes sure that our employees are paid a fair wage and provided with health insurance and the ability to someday retire. The

City continually strives to maintain a lean workforce in all areas of operation and we are grateful to the men and women who serve and protect the citizens of Florence.

In early May, the City Council held a budget retreat to discuss the annual planned expenditures for each of the City departments, along with the capital projects that we plan to complete for fiscal year 2009. Each department head used this opportunity to present the budgetary issues facing their operations for the coming year. They also responded to questions and concerns raised by Council about their requests for funds and the necessity for the capital projects requested. The City is presenting a budget that follows our conservative budgetary principles, remains financially sound, and allows service delivery to occur in the manner our residents have come to expect.

The budget for fiscal year 2009 represents a comprehensive spending plan for all City funds. The General Fund budget including reserves totals \$42.6 million. The operating expenditures are projected to increase 6.0% over those budgeted for the current fiscal year. The budget reflects all known and estimated increases in costs as well as the estimated increases projected for the various sources of revenues. City Council is provided with

a monthly financial report which shows variances between expected revenues and expenditures so Council is able to monitor whether the current budget needs any adjustments.

Funding levels for police, fire and EMS services will continue to provide safe neighborhoods. The Public Services Department will continue to maintain the appearance and infrastructure of the City. Ongoing recreational development in the various City parks, rebuilding of the World of Sports facility and a park and senior citizen center at the site of the former City building have been provided for as well.

The fiscal year 2009 budget also addresses the skyrocketing increases in gasoline, diesel fuel, and natural gas costs. The City continues to deal with the fiscal impact of the state mandated increases in retirement costs. We will continue to work with our state legislators to encourage them to pass legislation that will restructure the state retirement program and result in financial relief to cities and counties.

In order to maintain public confidence in the fiscal stability of the City, a Comprehensive Annual Financial Report of the City's financial records are prepared each year by our Finance Director and that report is then audited by an independent audit firm. The report and results of the audit

are used by Council and by rating agencies to evaluate the City's financial condition. The City's Comprehensive Report has been recognized by the Government Finance Officers Association for excellence in financial reporting for the fifth consecutive year. My personal thanks go to Linda Chapman and her staff for all the hard work required to receive this prestigious award for the City.

The City is fortunate that we continue to experience growth and development in light of the current economic situation. While our growth has not been as robust as it was just a few years ago, total construction costs in the City of Florence for 2007 were just over \$72.7 million, down from \$75.7 million the year prior. 84 building permits for new housing units were issued during the year totaling more than \$13.5 million in new housing starts. The City of Florence remains the 10th largest city in the state with a population of 26,929. During the past year, the City of Florence grew by 5.3 acres through the annexation of 2 parcels of property. Finally, we are located in the fourth largest county in Kentucky with a population totaling 112,459 residents.

A complete reorganization of the Human Resources Department was recently approved by City Council to eliminate the Department Head position and create the Human Resources Coordinator position. This

position will be a direct report to the Finance Director and is expected to be filled soon.

Long time Fire/EMS Department Captain Dave Vonderschmidt retired in August 2007 with more than 26 years of service. Scott Knoll was promoted to fill Captain Vonderschmidt's position upon his retirement.

Recently Fire/EMS Battalion Commander Steve Corry announced his plans to retire in August 2008. Commander Corry has spent nearly 24 ½ years serving our City. As a result of Commander Corry's retirement, Captain Elliot Cross will assume the role of Battalion Commander on August 1st. John Black is being promoted to the rank of Captain from the rank of Senior Apparatus Operator. Finally, Jamie Broughton is being promoted from Firefighter/Paramedic to the rank of Senior Apparatus Operator a position soon to be renamed Lt.

During the past year, the Police Department saw the retirement of two long-time sergeants. Sergeant Don Baker retired after more than 28 years of service to the City. Last November, Sergeant Bruce Graham retired after serving our community for nearly 30 years. The promotion process will see SPO Chad Irwin become a sergeant and Walt Cooley step in as SPO (a position soon to be renamed Corporal)

In August 2007, Ken Hoffman retired from the Public Services Department after 20 years with the City. Ken served our community in various supervisory capacities in his years with the Public Services Department and to Barry Miller who also serviced the Community for 20 years first as an employee of the Florence Water and Sewer Commission and then, after the merger, with the Public Services Department.

The Public Services Department also made a number of promotions over the last twelve months. Eric Hall was promoted from Project Administrator to Project Coordinator. Ben Horgan was promoted from an Inspector position to the Project Administrator position. Mike Knotts was promoted to Public Services Supervisor and Ryan Sullivan was promoted from Maintenance employee to an Inspector position.

On behalf of the city I want to thank those that came, served and retired as well as those who have stepped up to fill the positions. We know that more than 148 years of experience will be difficult to replace and we are grateful for the dedication, time and knowledge we received from this group of worthy retirees. You have made the City of Florence a better place and we truly appreciate you.

Last year our city departments continued to implement the various programs we have instituted over the years.

The Fire/EMS Department continues to operate two fire stations 24 hours a day, seven days a week with 52 paid personnel. We also provide volunteer staffing at our third fire station on Main Street. We count on our volunteers who make themselves available to complete our Fire & EMS department, and allow us to maintain our high level of service to the community. Volunteers are one of our greatest assets and we are extremely grateful they are able to spend their time and energy with the City of Florence.

The Florence Fire/EMS Survey by the Insurance Services Office (ISO) for 2008 resulted in a revision in our rating. Effective July 1, 2008 the City of Florence will have an ISO Public Protection Classification of 2. This classification places the city in the top 1% of Public Protection Classifications across the entire nation and paves the way for lower insurance rates for the citizens we serve. In addition to the improvement to the City rating, the Public Protection Classification for the Florence Fire Protection District improved from a 9 to a 3. This is a nearly unheard of improvement that should also pave the way for improved insurance rates to

the many residential, commercial and industrial entities we serve in that area.

The City now has 58 sworn police officers offering a multitude of programs keeping our community safe. Our Bike Patrol provides officers with regular opportunities to closely interact with residents within the City's neighborhoods; our Community Resource Officers continue to offer many innovative programs such as the very successful Citizens Police Academy and the Forensic Camp (CSI) for middle school students. These classes have provided the city with a tremendous opportunity for up close and personal interaction with the public and has provided a new source for volunteers. The SWAT Team continues to successfully negotiate the peaceful conclusion to sensitive situations. Florence police cruisers are equipped with Mobile Data Computer Terminals allowing direct access to records checks, the LINK and NCIC providing officers rapid access to important data often when it is the most critical.

Our 60 member Public Services Department continues to keep our community looking first class by professionally managing and maintaining streets, sidewalks, buildings, grounds, fleet services, water, sanitary sewer, storm water, capital improvements, GIS services, urban forestry, code enforcement, and the complaint/request program.

During the past year, the Public Services Department continued implementation of their Succession Plan. The succession planning process identified 18 up and coming departmental leaders and key personnel who help ensure the department remains viable and fulfills their mission well into the future. The members of the succession planning team are tasked with additional responsibilities and they identify methods to improve departmental operations.

The Code Enforcement Board continues to have a positive impact on our community resulting in a more effective and rapid resolution of violations. Our snow removal program is second to none and receives compliments and praise every time we are called into service.

Contracted road improvements completed or nearly completed during the past year where complete concrete replacement occurred includes Rose Avenue, Lakeshore Drive, and Patricia Street.

Concrete street panel replacement performed by in-house crews occurred on Barnwood Court, Connector Drive, Farmview Drive, Locust Avenue, Savanna Lakes, Shortridge, Lendale Drive, Achates, Spruce Drive, St. Jude Circle, Burgess Lane, Banklick Street, Collingswood Court, Spicewood Avenue, Taramore, Saddlebrook Lane, Aquilla Avenue, Cavalier

Boulevard, Lloyd Avenue, Mistyflower Lane, Partridge Circle, Clark Street, and Crimson Oak Drive.

Mill and overlay improvements occurred on JoAnn Drive, Ewing Boulevard, Veterans Memorial Drive and the Government Center parking lots. Complete asphalt street replacement along with new concrete curb and gutter occurred on Bustetter Drive and Frieda Place.

During the past year, the Public Services Department coordinated and supervised water main replacement along LaCresta Drive, Rose Avenue, Scott Drive, and Sebree Drive.

The storm water Phase II water monitoring study was completed utilizing ten volunteers who monitored three collection stations. The department recently completed a storm water watershed study workshop with residents living in the Boone Valley Drive area.

A number of sanitary sewer studies and sanitary sewer projects were completed in the past year or are in the process of being completed. Studies completed include the Fowler Creek Sewer Shed Capacity Study, the Tee Street Flow Monitoring Infiltration Study, the Vivian Drive Sewer Overflow Study, and the Greenview Pump Station Operation and Maintenance Manual Study. Sanitary sewer point repairs were made on Roger Lane, Goodridge

Drive, and Allison Drive. The department also contracted the relining of five manholes in the Turfway Road area.

During the past year, the Wetherington Boulevard bike path was milled and overlaid and numerous sidewalk improvements occurred along City streets to eliminate safety hazards in the community.

Our commitment to provide top quality recreational facilities for our residents continues as we begin the sixth year of operation of our Family Aquatic Center on the Government Center campus. The Florence/Boone County Skate Park is also in its sixth year of operation on the Government Center property and it continues to be a regional favorite.

Development continued on our newest park located off Burlington Pike between Wallace and Kathryn Avenue known as Stringtown Park. During the past year, a picnic shelter was completed in this 8.4-acre park and a new volleyball court, corn hole stations, a grill pad, and permanent restroom facilities are under construction. Permanent restroom facilities are also in process in Orleans Park, and Southfork Park. A tot lot is currently being added at Southfork Park. Parks and Recreation continues to provide other recreational activities such as baby-sitting classes and tennis lessons.

After several lengthy delays, the first phase of the state's Industrial Road reconstruction got underway this past year. Lawrence Construction

was awarded the bid for the portion of the project between U.S. 25 and U.S. 42 which will consist of a 5-lane road with sidewalks on each side of the road. Through the efforts of United States Senator Jim Bunning and the State of Kentucky, along with Boone County, Kenton County, the Cities of Florence, Elsmere and Independence, funding was secured for the first phase of the work. The second phase of the Industrial Road project, between U.S.25 and Turkeyfoot Road, will not occur until additional funding is secured. This second phase of Industrial Road is planned to be a three-lane road with sidewalks. A web site has been set up that provides facts and current status information about the Industrial Road reconstruction project for businesses and residents who may be impacted by the work. This web site can be found at www.industrialroad.net.

The Kentucky Transportation Cabinet recently completed a related road construction project on U.S. 42 between Industrial Road and I-75 which was necessary to facilitate the flow of traffic coming off Industrial Road going toward the interstate. This project added an additional lane on westbound U.S. 42 to accommodate the dual left turn lanes that will be provided as a part of the Industrial Road reconstruction project near U.S. 42.

The Administrative Department is made up of the Mayor's office, Finance/Human Resource Department, City Clerk, and IT. They provide

general management of city operations, support in the form of tax collection and licensing, water bill collections, economic development, the city's Human Resources needs, records maintenance by the City Clerk, computer infrastructure and web page maintenance, as well as Public Relations and coordination of Community Events. The department also produces new resident orientation information packets designed to help the newest members of our community become familiar with all the programs and services the City has to offer. The support services provided by the Administrative Department are an important and sometimes forgotten part of the smooth operation of city government.

The IT Department continues to perform upgrades to the city's computer network with much needed modern equipment and programming. The City's web page can now be found on the world-wide web at www.florence-ky.gov. We continue to explore other uses of e-commerce including downloading forms for occupational licenses and other city services.

We recently honored our fallen veterans with our Memorial Day parade and event. During the Memorial Day event, the new War on Terror Memorial was unveiled. Many thanks go out to HB Deatherage, the Florence Rotary Club, and Wal-Mart for their hard work and financial

support to help make this very important addition to the Boone County Veteran's Memorial possible.

The City's annual Youth in Government program was expanded from a one evening event to a three day and one evening event. This year the City partnered with the Boone County Schools to provide elementary and junior high students with an opportunity to learn about the various functions and duties of the Mayor and City Council, the Police Department, Fire Department, Public Services Department, and Administrative Department. Approximately 875 students from eight Boone County schools attended the event as a field trip during the school day this past March. As we have done in previous years, the Youth in Government program was also offered on a Tuesday evening before a City Council meeting to provide parents, children, and scout troops the opportunity to learn about their City government as well.

As we move forward, there are a number of initiatives that we will work to move toward completion.

The redevelopment of Mall Road remains an important economic development priority for the city. With our efforts to make this project become a reality, the City received good news and bad news this past year. Following the election of Governor Steve Beshear last November, we were

able to successfully communicate the economic impact Mall Road and the Florence retail district has not only on us locally, but, on the state economy as well. As a result, Governor Beshear placed Mall Road in his administration's proposed Six Year Road Plan and the proposed Two Year Funding Plan. However, in lieu of passing a Six Year Road Plan, the Legislature passed a 14-year Road Project Priority List. In April, Governor Beshear vetoed the Legislature's version of the Highway Plan and directed Transportation Secretary Prather to publish Kentucky's Highway Plan combining all the projects he originally recommended – including Mall Road, with the projects the Legislature proposed. Unfortunately, because of the Commonwealth's budget crisis there are not adequate funds available to move every project forward. While we have made significant steps forward in our quest to secure Mall Road reconstruction funding, our efforts have not yet received a funding commitment.

Over the last two years, more than \$30 million dollars worth of private construction and redevelopment occurred along the Mall Road corridor. Construction on the new state of the art 14-screen National Amusements Cinema de Lux on the Florence Mall Property will be completed later this month. This project is more than four years in the making and these efforts

will culminate in a one-of-a-kind entertainment destination for the region when it opens in a few short weeks.

The proposed budget includes funds for the development of the acreage at the former City Building site on U.S. 42. Construction of a Senior Citizens Center and a neighborhood park will be developed by the City. The architectural firm, Hub & Weber was recently retained to begin conceptual design work for the Senior Citizens Center. Grant funding will be pursued to help the City offset the cost of this amenity for our growing senior population.

During the past year, the World of Sports project to convert the lake near holes 1 and 2 of the golf course back to a stream got underway. To date, the lake near holes 1 and 2 has been drained and work to expand the lake near hole 18, which will act as the new irrigation source for the facility, is complete. A significant portion of this project is being paid for using State of Kentucky Mitigation funds and was initiated due to the extensive and costly work required for the lake and the dam supporting the lake near holes 1 and 2.

Recently, design consultant K4 was hired to develop design renderings for the redevelopment of the World of Sports Complex into a

twenty-first century family focused golf destination. A presentation to City Council of the design concepts developed by K4 is expected this summer.

Our tree planting program is continuing, thanks to the efforts of the Urban Forest Commission and the willingness of this and prior councils to budget monies for the projects. I think we will all agree the tree-lined streets are an important component of the City's beautification strategy and are a positive enhancement to our city. The Urban Forest Commission completed the final phase of the Houston Road area tree planting project and have begun design on a comprehensive beautification project for the newly reconstructed Turfway Road corridor.

The City will once again host various events to help us facilitate a sense of community in our City. The popular neighborhood nights out, a Labor Day parade, an expanded July 4th celebration and fireworks display, the annual Halloween event, Veteran's Day event, the Christmas tree lighting and various other events throughout the year are planned.

The community meeting rooms here at the Government Center continue to be well used and provide an added benefit to our citizens and community groups who require a safe and affordable place to hold meetings. The Veterans Memorial remains a source of pride and provides the perfect

backdrop for community events held, including the Memorial Day ceremony, and Veterans Day.

The Northern Kentucky Area Development District operates a satellite office in the Government Center which provides the needed space for the operation of the WIA Youth Program and the Kentucky Works Program. Also located in the Government Center are the satellite offices for the Boone County Circuit Court Clerk and the Boone County Clerk. This provides the citizens of Florence as well as other parts of Boone County with the ability to renew driver's licenses and automobile tags without making a trip to Burlington. These other government office operations are one more way the city provides one-stop access to local and state government offices and services.

In closing, I would like to mention that the members of City Council and I appreciate the confidence you have placed in us to serve you as your local elected officials. We take this responsibility seriously and we are committed to making decisions that are in the best interest of our community.

We understand the City operations are literally a 24/7 operation. Whether we are asked to respond to a 9-1-1 emergency call, perform snow removal, respond to a traffic accident, repair a water line break, or address a

citizens' concern. We understand and appreciate every decision made and/or service offered will affect at least one person in the community, and that a local government cannot exist, or function without its residents and business community. We encourage any member of our community to contact your elected officials, or a member of City staff if you have a concern, need assistance, or just need information.

The city remains committed to our biggest asset and that is the people who work and volunteer to provide the very best service to our citizens. No matter what we identify as needs within our city budget, the implementation and execution of those needs fall on the shoulders of our employees and volunteers. It is through their hard work and dedication that our community remains safe, attractive, affordable and fun. We truly appreciate their efforts!

The proposed Fiscal 2009 budget makes the best use of taxpayer funds, maintains our high level of service and is fair. As I remind you each year, the budget is a working document, subject to change, as needed throughout the year as Council deems necessary and appropriate.

Our dedication to providing the highest level of service at the lowest possible cost remains our goal. Again, I would like to express my sincere thanks to our employees, the many volunteers and each of you on council for

your dedication, support and encouragement. There will most certainly be many challenges facing Council in the future, but I am confident the decisions we make will be in the best interest of the city. Our future is bright. I look forward to the completion of these and many other projects during the next fiscal year. We continue in the knowledge that Florence is a great place to live, work and play and our commitment is to make it even better.